

Senate Study Bill 1160 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE
ON JUDICIARY BILL BY
CHAIRPERSON SODDERS)

A BILL FOR

1 An Act relating to certain persons who are excluded from
2 coverage under the workers' compensation law of this state.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 87.22, Code 2015, is amended to read as
2 follows:

3 **87.22 ~~Corporate officer exclusion~~ Exclusion from workers'**
4 **compensation or employers' liability coverage — corporate**
5 **officers, proprietors, limited liability company members, limited**
6 **liability partners, and partners.**

7 1. The president, vice president, secretary, and treasurer
8 of a corporation other than a family farm corporation, but
9 not to exceed four officers per corporation, may exclude
10 themselves from workers' compensation coverage under chapters
11 85, 85A, and 85B by knowingly and voluntarily rejecting
12 workers' compensation coverage by signing, and attaching to the
13 workers' compensation or employers' liability policy a written
14 rejection, or if such a policy is not issued, by signing a
15 written rejection which is witnessed by two disinterested
16 individuals who are not, formally or informally, affiliated
17 with the corporation and which is filed by the corporation
18 with the workers' compensation commissioner. The workers'
19 compensation commissioner shall maintain a list of those
20 corporations that have filed a written rejection pursuant to
21 this subsection or a written termination of that rejection
22 pursuant to subsection 5, paragraph "a", and that list shall be
23 a public record open to public inspection.

24 2. A proprietor, limited liability company member, limited
25 liability partner, or partner who does not elect to be covered
26 by the workers' compensation law of this state pursuant
27 to section 85.1A by purchasing valid workers' compensation
28 insurance specifically including that person, shall file a
29 nonelection of workers' compensation coverage by signing, and
30 attaching to the workers' compensation or employers' liability
31 policy a written nonelection, or if such a policy is not
32 issued, by signing a written nonelection which is witnessed
33 by two disinterested individuals who are not, formally or
34 informally, affiliated with the employer and which is filed by
35 the employer with the workers' compensation commissioner. The

1 workers' compensation commissioner shall maintain a list of
2 those employers that have filed a written nonelection pursuant
3 to this subsection or a written termination of that nonelection
4 pursuant to subsection 5, paragraph "b", and that list shall be
5 a public record open to public inspection.

6 ~~2.~~ 3. a. The written rejection made pursuant to subsection
7 1, shall be in substantially the following form:

8 REJECTION OF WORKERS'
9 COMPENSATION OR EMPLOYERS'
10 LIABILITY COVERAGE

11 I understand that by signing this statement I reject the
12 coverage of chapters 85, 85A, and 85B of the Code of Iowa
13 relating to workers' compensation.

14 I understand that my rejection of the coverage of chapters
15 85, 85A, and 85B is not a waiver of any rights or remedies
16 available to me or to others on my behalf in a civil action
17 related to personal injuries sustained by me arising out of and
18 in the course of my employment with the corporation.

19 I also understand that by signing this statement and checking
20 alternative (1) below I reject employers' liability coverage
21 for bodily injuries or death sustained by me arising out of and
22 in the course of my employment with the corporation. [Check
23 either alternative (1) or (2):]

24 (1) I reject the employers' liability coverage.

25 (2) I decline to reject the employers' liability coverage.

26 Signed

27 Corporate Office

28 Date

29 City, County, State of Residence

30 Witness

31 Witness

32 I also understand that the signing of this statement and
33 checking of alternative (1) below by an authorized agent of the
34 corporation rejects for the corporation employers' liability
35 coverage for bodily injuries or death sustained by me arising

1 out of and in the course of my employment with the corporation.

2 [Check either alternative (1) or (2):]

3 (1) The corporation rejects the employers' liability
4 coverage.

5 (2) The corporation declines to reject the employers'
6 liability coverage.

7 Signed

8 Relationship to Corporation

9 Date

10 City, County, State of Residence

11 Witness

12 Witness

13 b. The written nonelection of coverage made pursuant to
14 subsection 2, shall be in substantially the following form:

15 NONELECTION OF WORKERS'

16 COMPENSATION OR EMPLOYERS'

17 LIABILITY COVERAGE

18 I acknowledge that I am a proprietor, limited liability
19 company member, limited liability partner, or partner and that
20 I am not required to be covered by the worker's compensation
21 law of this state pursuant to section 85.1A. I understand
22 that by signing this statement I am not electing the coverage
23 of chapters 85, 85A, and 85B of the Code of Iowa relating to
24 workers' compensation.

25 I understand that my nonelection of the coverage of chapters
26 85, 85A, and 85B is not a waiver of any rights or remedies
27 available to me or to others on my behalf in a civil action
28 related to personal injuries sustained by me arising out of and
29 in the course of my employment with the employer.

30 I also understand that by signing this statement and checking
31 alternative (1) below I am not electing employers' liability
32 coverage for bodily injuries or death sustained by me arising
33 out of and in the course of my employment with the employer.

34 [Check either alternative (1) or (2):]

35 (1) I am not electing the employer's liability coverage.

S.F. _____

1 (2) I am electing the employer's liability coverage by
2 purchasing valid workers' compensation insurance specifically
3 including me.

4 Signed

5 Employer's Office

6 Date

7 City, County, State of Residence

8 Witness

9 Witness

10 I also understand that the signing of this statement and
11 checking of alternative (1) below by an authorized agent of the
12 employer is a nonelection for the employer of the employers'
13 liability coverage for bodily injuries or death sustained by
14 me arising out of and in the course of my employment with the
15 employer. [Check either alternative (1) or (2):]

16 (1) The employer does not elect the employer's liability
17 coverage.

18 (2) The employer elects the employer's liability coverage by
19 purchasing valid workers' compensation insurance specifically
20 including me.

21 Signed

22 Relationship to Employer

23 Date

24 City, County, State of Residence

25 Witness

26 Witness

27 ~~3.~~ 4. The rejection or nonelection of workers' compensation
28 coverage is not enforceable if it is required as a condition
29 of employment.

30 ~~4.~~ 5. a. A corporate officer who signs a written rejection
31 filed with the workers' compensation commissioner pursuant to
32 subsection 1 may terminate the rejection by signing a written
33 notice of termination which is witnessed by two disinterested
34 individuals, who are not, formally or informally, affiliated
35 with the corporation and which is filed by the corporation with

1 the workers' compensation commissioner. Following the filing
2 of a notice of termination pursuant to this paragraph, the
3 status of the person signing the notice of termination shall
4 be the same as if the rejection of coverage had not been made,
5 except that the notice of termination shall not be effective as
6 to any injury sustained or disease incurred less than one week
7 after the notice is filed.

8 b. A proprietor, limited liability company member, limited
9 liability partner, or partner who signs a written nonelection
10 with the workers' compensation commissioner pursuant to
11 subsection 2 may terminate the nonelection by signing a written
12 notice of termination which is witnessed by two disinterested
13 individuals, who are not, formally or informally, affiliated
14 with the employer and which is filed by the employer with the
15 workers' compensation commissioner. Following the filing of a
16 notice of termination pursuant to this paragraph, the status
17 of the person signing the notice of termination shall be the
18 same as if the nonelection of coverage had not been made and
19 the person may elect to be covered by the workers' compensation
20 law of this state by purchasing valid workers' compensation
21 insurance specifically including that person as provided in
22 section 85.1A, except that the election of coverage shall not
23 be effective as to any injury sustained or disease incurred
24 less than one week after the notice is filed.

25 EXPLANATION

26 The inclusion of this explanation does not constitute agreement with
27 the explanation's substance by the members of the general assembly.

28 This bill relates to certain persons who are excluded from
29 workers' compensation coverage requirements.

30 The bill provides that the workers' compensation
31 commissioner shall maintain a list of corporate officers that
32 reject workers' compensation coverage or that terminate their
33 rejection of the coverage. The list shall be a public record
34 that is open to public inspection.

35 The bill also requires a proprietor, limited liability

1 company member or partner, or a partner, who does not elect
2 workers' compensation coverage by purchasing valid coverage
3 that specifically includes that person, to sign a nonelection
4 of that coverage which must be attached to the workers'
5 compensation or employer's liability policy or filed with the
6 workers' compensation commissioner. The workers' compensation
7 commissioner is required to maintain a list of persons who do
8 not elect such coverage or that terminate that nonelection of
9 coverage. The list shall be a public record that is open to
10 public inspection. The bill also provides a form for such a
11 person to indicate that the person is not electing workers'
12 compensation coverage.

13 The bill provides that when a corporate officer terminates a
14 rejection of workers' compensation coverage by filing a notice
15 of termination with the workers' compensation commissioner, the
16 notice of termination restores the officer to the same status
17 as if the rejection of coverage had not occurred although the
18 termination of rejection is not effective as to any injury
19 sustained or disease incurred less than one week after the
20 notice is filed.

21 The bill provides also that a proprietor, limited liability
22 company member or partner, or partner, may terminate a
23 nonelection of workers' compensation coverage by filing
24 a notice of termination with the workers' compensation
25 commissioner. The notice of termination restores that person
26 to the same status as if the nonelection of coverage had not
27 occurred and the person may elect to be covered by the workers'
28 compensation law of this state by purchasing valid workers'
29 compensation insurance specifically including that person,
30 as provided in Code section 85.1A. However, the election of
31 coverage shall not be effective as to any injury sustained or
32 disease incurred less than one week after the notice is filed.